Government of Saskatchewan

Annual Report 1988-89

Saskatchewan Education

Student Aid Fund

The fortieth annual report of the Saskatchewan Student Aid Fund

91-06079/

for the period from April 1, 1988 to March 31, 1989

Letters of Transmittal

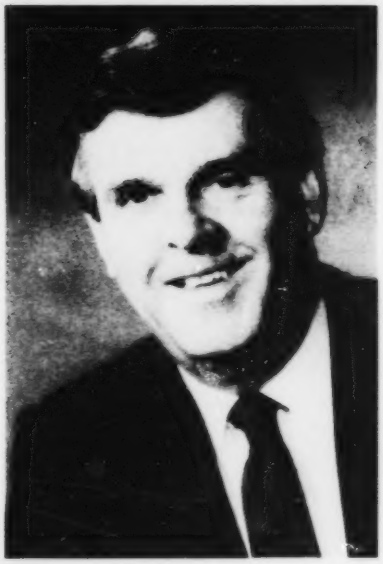
The Honourable Sylvia Fedoruk
Lieutenant Governor
Province of Saskatchewan

Madam:

I have the honour of submitting the annual report of the Saskatchewan Student Aid Fund for the year ending March 31, 1989.

Respectfully submitted,

Ray Meiklejohn
Minister of Education



The Honourable Ray Meiklejohn
Minister
Saskatchewan Education

Sir:

I have the honour of submitting the annual report of the Saskatchewan Student Aid Fund for the year ending March 31, 1989.

Respectfully submitted,

Eleanor Rourke
Deputy Minister
Saskatchewan Education

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Introduction

The Saskatchewan Student Aid Fund was established by the provincial government in 1949 to provide financial assistance to Saskatchewan's post-secondary students.

The government's initial investment in the fund was $1 million. Today the annual grant is more than $20 million, and a wide range of programs are available to help students obtain various forms of post-secondary education.

The fund is administered by a Board of Trustees consisting of the Deputy Minister of Education, the Deputy Minister of Finance, and one other person appointed by the Lieutenant Governor in Council on the recommendation of the Minister of Education.

This annual report reviews all lending activity administered by the Student Financial Assistance Branch of Saskatchewan Education in 1988-89, along with activities funded through the Student Aid Fund. Included are the Canada Student Loans Program for Full-Time and Part-Time Students, the Saskatchewan Student Loans Program, Special Incentive Loan Supplement, Loan Remission for Special Incentive Students, Loan Forgiveness, the Interest Write Down Plan, the Interest Relief Plan, and other scholarships and awards.

1988-89 Highlights

- Authorized amounts of Saskatchewan Student Loan assistance increased substantially, and the number of students authorized for remission subsidies also increased.
- High need and disadvantaged students became eligible for loan forgiveness as they successfully completed their periods of study.
- The first-ever Queen Elizabeth II Scholarship in Parliamentary Studies was awarded.
- A new Saskatchewan Awards Program was introduced that recognizes student academic and community achievement at the grade 12 level. The first-ever winners were also announced during the reporting year.

Student Loans

Canada Student Loans Program

The Canada Student Loans Program was introduced by the federal government in 1964 to provide loans to post-secondary students. To qualify for assistance, loan recipients must be full-time students enrolled at designated post-secondary institutions in programs more than 11 consecutive weeks in duration.

Although this is a federal program, the Student Financial Assistance Branch of Saskatchewan Education is the designated issuing authority for the Province of Saskatchewan. This program provides eligible students with loans to a maximum of $105 per week of study. In 1988-89 a total of $55,988,230 was authorized to 19,235 students.

After the Student Financial Assistance Branch has determined the applicant's need for a loan, the student deals directly with any Canadian chartered bank or credit union. The loan is interest-free while the recipient is a full-time student and for an additional six month period following graduation or discontinuation of studies. The student repays the loan by regular monthly payments over a maximum time period of 9 1/2 years. Interest charged is set on August 1 of each year and is constant throughout the repayment period.

The Student Financial Assistance Branch applies federal administrative criteria to determine the applicant's financial need. If there is a significant change in the student's financial circumstances or those of his or her parents, the student may request that the loan be reassessed.

Table 1 lists the numbers and amounts of Canada Student Loans authorized in Saskatchewan during 25 years of operation.

Table 1
Summary of Canada Student Loans (Saskatchewan)

Year	Number of Loans	Total Amount
1964-65	2,992	$1,888,445
1965-66	4,866	3,317,604
1966-67	5,965	4,543,085
1967-68	7,377	5,980,941
1968-69	8,282	6,564,848
1969-70	9,747	8,591,290
1970-71	10,318	8,949,955
1971-72	9,262	7,671,005
1972-73	8,111	7,067,227
1973-74	7,349	6,413,481
1974-75	5,736	5,594,950
1975-76	5,708	5,328,719
1976-77	5,268	5,436,920
1977-78	5,543	7,325,835
1978-79	5,776	7,884,095
1979-80	4,852	6,704,975
1980-81	5,393	7,812,560
1981-82	5,401	8,676,795
1982-83	6,511	11,650,995
1983-84	8,654	19,628,755
1984-85	9,441	22,513,162
1985-86	10,060	27,133,520
1986-87	15,293	43,274,015
1987-88	18,078	52,506,182
1988-89	19,235	55,988,230

Part-Time Canada Student Loans

The Student Financial Assistance Branch also administers the Part-Time Canada Student Loans Program which is funded by the federal government. Under this program a part-time student may borrow up to $2,500. Repayment begins 30 days after negotiation of the loan.

Table 2 lists the numbers and amounts of part-time Canada Student Loans authorized in Saskatchewan during six years of operation.

Table 2
Summary of Part-Time Canada Student Loans

Year	Number of Loans	Total Amount
1983-84	9	$7,770
1984-85	18	16,021
1985-86	26	24,191
1986-87	49	61,450
1987-88	82	83,670
1988-89	87	99,936

Saskatchewan Student Loans Program

The Student Financial Assistance Branch administers the Saskatchewan Student Loans Program. This includes administration, assessment, payment and collection of loans authorized under the program.

The program provides eligible post-secondary students with loans to a maximum of $145 per week of study for courses more than 11 weeks in duration. Up to $75 per week is provided for post-secondary courses that are between 4-11 weeks in duration, and are part of a longer program of study.

Students enrolled in Adult Basic Education (ABE) courses at the Saskatchewan Institute of Applied Science and Technology or at any of Saskatchewan's regional colleges are also eligible for Saskatchewan Student Loans Program assistance. Students may receive up to $145 per week of study through the program, and additional assistance of up to $105 per week of study to replace Canada Student Loan assistance which is not available to ABE students.

Loans are interest-free while the recipient is a full-time student and for an additional six month period following graduation or discontinuation of studies. Students repay the loans in regular monthly

installments directly to the Student Aid Fund. Interest charged is the same as for Canada Student Loans. Students must have obtained the maximum possible Canada Student Loans before Saskatchewan assistance becomes available.

In 1988-89 a total of $44,357,104 was authorized to 14,281 students through the Saskatchewan Student Loans Program. Table 3 lists the numbers and amounts of loans provided through the provincial program over its 18 years of operation. This includes all loans made under the former Saskatchewan Student Loans Program, assistance provided through the Saskatchewan Supplementary Loans Program introduced in 1986-87, and all repayable and forgivable loans available under the Saskatchewan Student Loans Program umbrella introduced in 1987-88.

Table 3
Summary of Saskatchewan Student Loans

Year	Number of Loans	Total Amount
1971-72	231	$184,356
1972-73	506	314,597
1973-74	451	312,218
1974-75	459	317,104
1975-76	176	138,790
1976-77	92	69,755
1977-78	98	104,815
1978-79	136	137,960
1979-80	42	54,126
1980-81	71	62,855
1981-82	27	25,630
1982-83	14	12,730
1983-84	349	509,025
1984-85	380	584,920
1985-86	437	673,535
1986-87*	16,115	21,212,040
1987-88**	13,310	33,685,619
1988-89	14,281	44,357,104

* Introduction of Saskatchewan Supplementary Loans Program. This number represents the total of the Saskatchewan Supplementary Loans Program and the former Saskatchewan Student Loans Program.

** Introduction of forgivable loans.

Chart 1
Authorized Saskatchewan Student Loans
Fiscal Years 1987-89

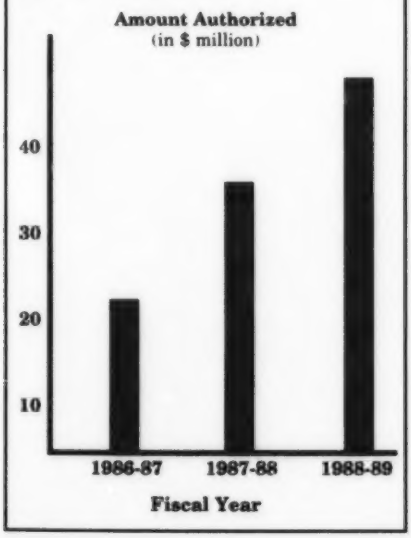
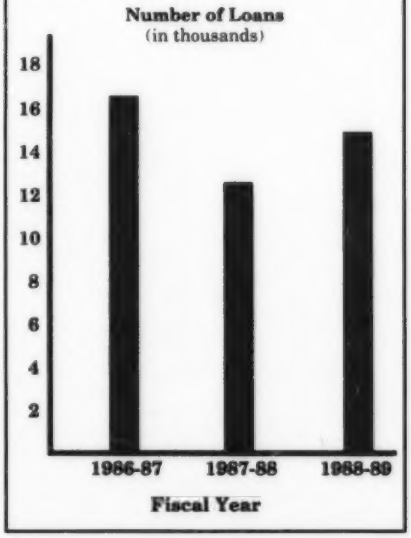


Chart 2
Number of Authorized Saskatchewan Student Loans
Fiscal Years 1987-89



Special Incentive Program

Loan Supplements

A Special Incentive Supplement was introduced in 1983-84 to further assist qualifying high need disadvantaged students with additional amounts of bursary assistance. Currently a maximum of $110 per week of study is available. Students must be eligible for further assistance based on a needs assessment in excess of the maximum assistance available to regular students. Effective August 1, 1987, along with the Saskatchewan Student Bursary Program, the Supplement was converted to a potentially forgivable portion of the student's provincial assistance.

Students eligible for assistance through the Special Incentive Program must be custodial single parents, non-status Indians or Metis, disabled as defined by the Vocational Rehabilitation of Disabled Persons Program, or accepted into the Special Incentive Program for Northerners under the criteria of the Northern Careers Program.

Supplementary loans are available only for studies at designated Saskatchewan institutions, unless a student's disability requires out of province study. The supplement is only eligible for forgiveness for approved Adult Basic Education and for the first 165 weeks of post-secondary study.

Loan Remission

Loan Remission for Special Incentive students was introduced in 1983-84 to encourage entry of certain disadvantaged students into post-secondary education. These students are eligible for provincial remission subsidies for all or a portion of their repayable student loans.

The following conditions apply:

- Students who have post-secondary education prior to August 1, 1988 are eligible for 100% remission of their repayable loans for their first year of post-secondary study since leaving high school, and 50% remission for their second year.
- For courses beginning August 1, 1988 or later, students who have not had previous post-secondary study are eligible to apply for 100% remission of their repayable student loans for their first 60 weeks of post-secondary study.
- For Adult Basic Education students who qualify as Special Incentive Students, 100% remission of repayable Saskatchewan Student Loans may be available upon successful completion of each year of approved Adult Basic Education. ABE students retain their eligibility to apply for remission of repayable student loans for post-secondary study.

Qualified students must successfully complete at least 60% of a full course load during their approved period of study. They must also apply for remission benefits within six months after each period of study. The total subsidy for both the Canada Student Loan and Saskatchewan Student Loan portion is applied first to the balance outstanding for provincial loans and then, if applicable, to the balance outstanding for federal loans.

In 1988-89 $4,709,338 in remission subsidies was approved for 1,078 students.

Table 4 lists the numbers and amounts of loan remission to Special Incentive students since the program was implemented in 1983-84.

Table 4
Summary of Approved Remission Subsidies on Canada Student Loans and Saskatchewan Student Loans*

Year	Number of Loans	Amount Authorized
1984-85	184	$461,413
1985-86	248	592,327
1986-87	259	703,577
1987-88	865	3,589,547
1988-89	1,078	4,709,338

* Saskatchewan Student Loans include the former Saskatchewan Student Loans Program, Saskatchewan Supplementary Loans Program, and the new Saskatchewan Student Loans Program.

Loan Forgiveness

On August 1, 1987 bursaries were converted to forgivable loans and targeted to high need and disadvantaged students.

The forgivable portion of the Saskatchewan Student Loans Program is as follows:

- any amount of Saskatchewan Student Loans over $75 per week for post-secondary students, to a maximum of $70 per week;
- any amount of Saskatchewan Student Loans over $180 per week for Adult Basic Education students, to a maximum of $70 per week; and,
- any amount of Special Incentive Loan Supplement up to a maximum of $110 per week (available only to Special Incentive students).

The forgivable portion is only available for the first 165 weeks of post-secondary study, and for approved Adult Basic Education. Students must successfully

Chart 3
Number of Approved Applications for Remission Subsidies on Canada Student Loans and Saskatchewan Student Loans
Fiscal Years 1987-1989

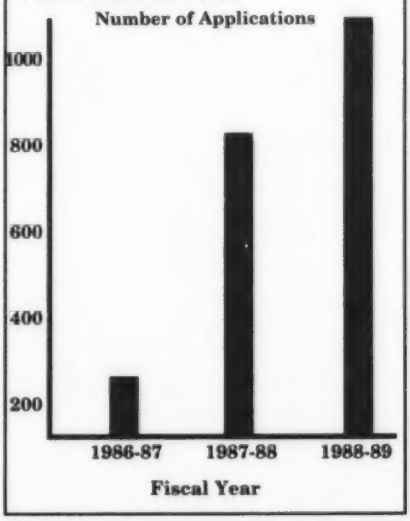
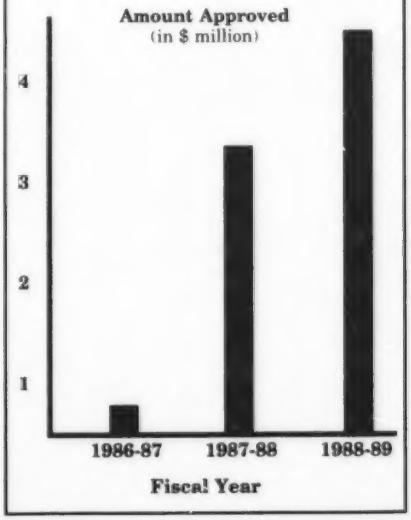


Chart 4
Approved Remission Subsidies on Canada Student Loans and Saskatchewan Student Loans
Fiscal Years 1987-89



complete at least 60% of a full course load during their approved period of study. They must also apply for forgiveness within six months after each period of study. The subsidy is not applied until all loans have been consolidated, and is only applied to the amount owing to the province.

In 1988-89 forgiveness totalling $5,066,056 was authorized to 2,365 students after they successfully completed their approved periods of study and consolidated their student loans.

Interest Write Down Plan

The Interest Write Down Plan was introduced on May 1, 1986. The plan is available to students taking loans authorized by Saskatchewan Education for courses commencing between May 1, 1986 and July 31, 1989.

Under the plan, a subsidy is provided equal to writing down the interest charges on provincial and federal loans to 6% for the first three years of a standard repayment period. The subsidy is applied first to the balance outstanding for provincial loans and then, if applicable, to the balance outstanding for Canada Student Loans.

In 1988-89 a total of 7,736 students received subsidies totalling $4,610,031.

Since 1986-87 a total of 13,786 students have received $6,770,904 in Saskatchewan Interest Write Down Plan subsidies.

Interest Relief Plan

A new Interest Relief Plan was introduced in 1987-88. The plan is available to qualified students who are having difficulty repaying their Saskatchewan Student Loans due to unemployment, temporary disability, or other extenuating circumstances.

Under the plan, up to eighteen months of additional interest free status can be obtained. No payments are required during this time.

Approximately 500 students received interest and repayment relief through the plan in 1988-89.

Appeals

The Scholarship, Bursary and Loan Committee is appointed by the Minister of Education and makes recommendations to the Minister regarding student assistance. The committee includes representatives from educational institutions, student unions and government.

An Appeals Sub-Committee of the Scholarship, Bursary and Loan Committee is in place to review instances where students applying for student assistance may have extenuating circumstances. If the sub-committee determines the circumstances are extenuating and are not contrary to program criteria, further assistance may be recommended.

A total of 524 appeal cases were reviewed during 1988-89. Additional assistance was granted in 283 of these cases.

Audit and Verification

All information requested from student loan applicants is subject to audit and verification. The provision of misleading information by the applicant, spouse, parent(s) or guardian(s) may result in prosecution under both the *Canada Student Loans Act* and *The Student Assistance and Student Aid Fund Act, 1985.*

Scholarship and Award Programs

The Saskatchewan Student Aid Fund also provides support to a variety of scholarship and award programs, in conjunction with other departments and agencies. Funds were provided to the following programs in 1988-89.

University Scholarships

Each year funds are allocated from the Student Aid Fund to Saskatchewan's two universities for undergraduate and graduate scholarships. In 1988-89 awards totalling $959,441 were granted to 679 students at the University of Regina, and a total of $5,110,315 was granted to 1,356 students at the University of Saskatchewan.

Saskatchewan Institute of Applied Science and Technology Scholarships

Scholarships of $500 per student for certificate programs and $1,000 per student for diploma programs were granted at campuses of the Saskatchewan Institute of Applied Science and Technology (SIAST). Entrance Scholarships of $750 per certificate program student and $1,500 per diploma program student were also available. These scholarships are intended to attract top high school graduates to SIAST and recognize their academic achievement. A total of $159,649 in scholarships was awarded to 238 students in 1988-89.

D. R. Simmons Memorial Scholarship

Two D. R. Simmons Memorial Scholarships of $500 are available annually to graduating grade 12 students of Indian or Metis ancestry.

James Dickson Scholarship

One James Dickson Scholarship of $500 is available annually to a graduating grade 12 student of black ancestry. If no award is made one year, two awards may be made the following year.

Doreen Kronick Scholarship

One Doreen Kronick Scholarship of $500 is available annually to recognize the scholastic achievement of a post-secondary education student majoring in the field of special education for exceptional children. Saskatchewan Education will award an additional $500 if the recipient is a Saskatchewan resident attending a Saskatchewan university.

Queen Elizabeth II Scholarship

The Queen Elizabeth II Scholarship was announced during the October, 1987 visit by the Queen and the Duke of Edinburgh as a gift to Her Majesty from the province. One

$10,000 scholarship is awarded annually for graduate or post-graduate study of Saskatchewan politics and government at either of Saskatchewan's universities. Canadian citizens and landed immigrants are eligible to apply. The scholarship was presented for the first time in 1988-89.

Fuhrmann Emergency Loan Program

This program was established with a $12,000 donation from the Fuhrmann family of Regina. It provides short-term loans of up to $400 per student for full-time studies at SIAST. The loans are interest-free if repaid within 90 days.

Table 5 lists the amounts awarded during the program's fourteen years of operation.

Table 5
Fuhrmann Emergency Loan Program Awards

1975-76	$2,415
1976-77	5,155
1977-78	7,958
1978-79	6,025
1979-80	19,985
1980-81	16,128
1981-82	13,065
1982-83	11,325
1983-84	11,515
1984-85	9,675
1985-86	8,460
1986-87	12,600
1987-88	7,500
1988-89	3,300

Saskatchewan Awards Program

The new Saskatchewan Awards Program was introduced in September, 1988.

Under the program, awards of $500 are presented to the top 390 graduating grade 12 students from Saskatchewan high schools to recognize scholastic achievement. Saskatchewan Scholar Awards of $5,000 are given to seven students demonstrating scholastic superiority along with leadership skills in school and community involvement. Achievement Awards of $3,000 are given to ten students demonstrating excellence in specific programs to further their education and enhance their entrepreneurial expertise.

The first-ever winners were announced in December, 1988. A total of $259,000 was awarded to 405 students during the reporting year.

French Language Teacher Bursary Program

Awards are available to teachers taking university classes that will improve their techniques in the teaching of French. In 1988-89 there were 131 bursary units awarded totalling $105,075. Expenditures were reimbursed by the federal Secretary of State.

French Language Study Fellowships/ Travel Bursaries

Fellowships to a maximum of $3,000 are available to full-time students enrolled in post-secondary programs offered in French. The travel bursary defrays transportation costs for students in French language courses at approved universities outside Saskatchewan.

Four hundred forty-nine units totalling $425,644 were granted in 1988-89. The Student Aid Fund was reimbursed by the federal Secretary of State.

Veterinary Fellowship Program

Saskatchewan Agriculture provides a one-time award of $18,500 to a graduate of a recognized Veterinary Medicine College. Preference will be given to resident practitioners who plan to specialize in a field where there is a recognized need in the province. A one-year service commitment is attached to this award.

Information and Advisory Services

Saskatchewan Education's Student Financial Assistance Branch offers information and counselling services to students, their families, educational institutions and the general public.

In 1988-89 a monthly average of 7,000 telephone calls and personal visits were received, dealing with general loan questions along with more specific matters such as loan status and repayment criteria.

Fifty information meetings were held by branch staff in communities all over Saskatchewan, including northern Saskatchewan. Approximately 5,000 people attended these sessions to gain a better understanding of available programs. There continues to be a high demand for this service.

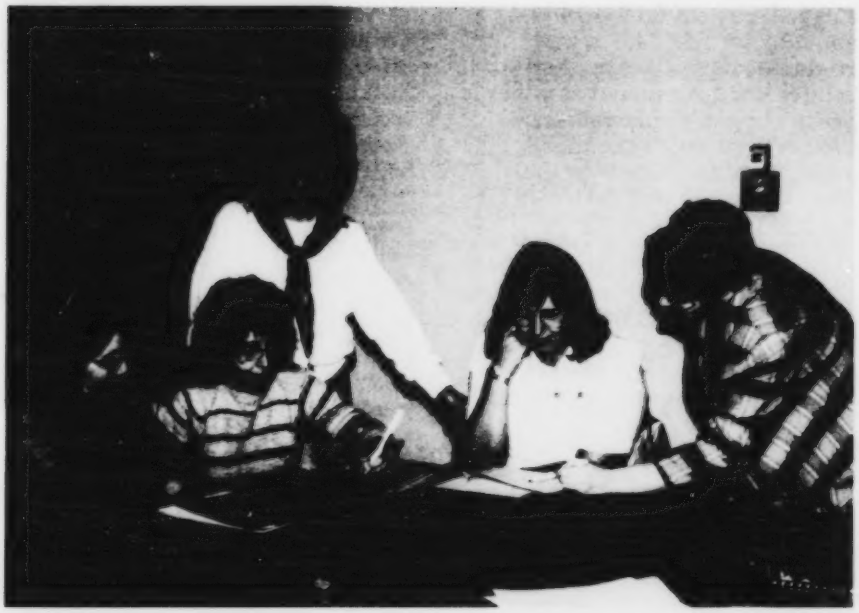


Table 6

Summary of Awards, 1988-89

	Amount
Canada Student Loans	$55,988,230
Part-Time Canada Student Loans	99,936
Saskatchewan Student Loans	44,357,104
Special Incentive Program: Loan Remission	4,709,338
Forgivable Loans	5,066,056
Interest Write Down	4,610,031
Saskatchewan Education	802,059
University of Saskatchewan	5,110,315
University of Regina	959,441
Saskatchewan Institute of Applied Science and Technology	159,649
Western College of Veterinary Medicine (Veterinary Fellowship Program)	18,500

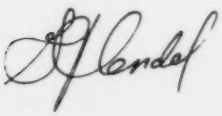
Provincial Auditor's Report

To the Members of the Legislative Assembly of Saskatchewan

I have examined the balance sheet of the Saskatchewan Student Aid Fund as at March 31, 1989 and the statements of revenue, expenditure and accumulated deficit and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at March 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements applied, after giving retroactive effect to the change in the method of recognizing expenses related to loan relief programs as explained in Note 8, on a basis consistent with that of the preceding year.

Regina, Saskatchewan
August 2, 1990



G.F. Wendel. C.A.
A/Provincial Auditor

Financial Information

Statement 1
Saskatchewan Student Aid Fund
Balance Sheet
(As at March 31)

Assets

	1989	1988
Bank and short-term investments	$18,892,661	$8,933,063
Accrued interest on investments	356,732	101,439
Receivable from Department of Education	3,000,000	—
Reimbursements and other receivables	258,390	506,094
Loans receivable (Note 3)	24,377,834	13,042,957
Investment in bonds (market value 1989 - $1,921,274; 1988 - $2,120,403)	2,105,000	2,255,000
	$48,990,617	$24,838,553

Liabilities, Fund Balances and Accumulated Deficit

Liabilities:

Due to Consolidated Fund (Note 4)	$78,475,636	$44,092,841
Other payables	389,946	530,206
	78,865,582	44,623,047

Fund Balances:

Restricted		
Transfer from School Lands Fund	—	2,000,000
Transfer from Education Fund	—	1,000,000
Contributing for loans from legislative appropriations	656,500	656,500
Queen Elizabeth II Scholarship Fund	24,000	24,000
Fuhrmann Emergency Loan Fund	12,000	12,000
Peter D. Stewart Scholarship	300	300
	692,800	3,692,800
Accumulated Deficit (Statement 2)	(30,567,765)	(23,477,294)
	(29,874,965)	(19,784,494)
	$48,990,617	$24,838,553

(See accompanying notes to the financial statements)

Statement 2
Saskatchewan Student Aid Fund
Statement of Revenue, Expenditure and Accumulated Deficit
(Year Ended March 31)

	1989	1988
Revenue		
Grant from Department of Education	$20,075,270	$13,433,855
Interest on investments	1,259,434	521,502
Interest on student loans	946,921	216,119
Bursary repayments		
Department of Education	144,375	67,930
Other agencies	151,274	140,587
Federal reimbursements - second language program	530,719	442,048
	23,107,993	14,822,041
Expenditure		
Bursaries and scholarships (Schedule 1)		
Department of Education	1,014,763	5,030,660
Other agencies	6,089,840	5,822,260
	7,104,603	10,852,920
Special Incentive Loan remissions	6,065,395	7,298,334
Interest write-down grants	7,481,581	17,175,539
Provision for doubtful accounts	2,688,746	3,196,361
Loan forgiveness grants	9,858,139	6,043,874
	33,198,464	44,567,028
Deficit for the year	(10,090,471)	(29,744,987)
Removal of restriction on fund balances (Note 7)	3,000,000	—
(Accumulated deficit)/surplus, beginning of year	(23,477,294)	6,267,693
Accumulated deficit, end of year - to Statement 1	$(30,567,765)	$(23,477,294)

(See accompanying notes to the financial statements)

Statement 3
Saskatchewan Student Aid Fund
Statement of Changes in Financial Position
(For the Year Ended March 31)

	1989	1988
Cash provided by (used in) operating activities		
Deficit for the year	$(10,090,471)	$(29,744,987)
Change in non-cash working capital items:		
Increase in accounts receivable	(14,342,466)	(10,132,483)
Increase in accounts payable	(140,260)	(189,367)
Cash provided by (used in) operating activities	(24,573,197)	(40,066,837)
Cash provided by financing activities		
Consolidated fund loan proceeds	34,382,795	44,092,841
Cash provided by investing activities		
Proceeds from investments maturing	150,000	540,000
Net increase in cash position during the year	9,959,598	4,566,004
Cash and short term investments, beginning of year	8,933,063	4,367,059
Cash and short term investments, end of year	$18,892,661	$8,933,063

(See accompanying notes to the financial statements)

Saskatchewan Student Aid Fund
Notes to the Financial Statements

(March 31, 1989)

1. Significant Accounting Policies

These financial statements are prepared in accordance with the following accounting policies which are considered appropriate for organizations of this type.

a) Loan Awards

Under the terms of the Saskatchewan Student Loan Program, student loans are provided to qualifying individuals. These loans are made at interest rates prescribed by the Minister of Education and are interest free until repayment is required.

Interest write-down grants are provided to borrowers who receive loans for studies commencing between May 1, 1986 and July 31, 1989. The amount of each grant is equivalent to the difference between what the interest cost would have been on loans:

i) at the normal interest rate, for a specified term; and

ii) at the rate of 6%, over the same term.

In addition to the interest write-downs described above, the Fund also provides interest write-down grants on loans under the Canada Student Loan Program.

Special Incentive Loan remissions and/or loan forgiveness is granted to all students who meet the obligations specified by the Student Aid Fund Guidelines.

The estimated cost of these loan relief programs is expensed and a corresponding liability is recorded at the time the related loans are authorized by the Department of Education. For financial statement presentation the liability is netted against the outstanding accounts receivable.

When the value of grants exceeds the students' loan balance, the excess is applied to their Canada Student Loan.

b) Loan Repayments

Loans receivable become repayable after a six-month period following discontinuance of studies or graduation. Payments on loans are first applied to interest, then to outstanding loan principal.

Simple interest is charged on loans following the interest-free period.

c) Other Assistance

Bursaries and scholarships awarded are subject to the condition that students must be in full-time attendance on the date the awards are issued and, in certain instances, there is a service commitment to the Province. When the conditions are not met by the student, all or a portion of the bursary or scholarship is recoverable from the student. Bursaries and scholarships awarded by the Department of Education, when deemed recoverable, are recorded as receivables of the Fund.

d) Investments

All investments are carried at cost. Premiums and discounts on the purchase of long-term securities are amortized over the term of the security. Interest on investments is recorded on the accrual basis.

2. Authority

The Saskatchewan Student Aid Fund operates under the authority of The Student Assistance and Student Aid Fund Act, 1985. It is administered by the Department of Education.

3. Loans Receivable

		1989	1988
Loans outstanding, beginning of year		$43,371,805	$3,647,393
Add:	New Loans during the year (See Note 4)	38,051,743	43,941,531
	Payout of credit balances	1,924,396	820,940
	Adjustments	—	11,274
	Repayable bursaries	143,421	29,535
	Accrued interest	942,704	208,724
Deduct:	Interest write-down grants	(4,610,031)	(2,160,873)
	Loan forgiveness grants	(2,812,420)	—
	Special incentive loan remissions	(4,069,764)	(1,796,961)
	Loan repayments received	(3,651,131)	(1,313,679)
	Loans written off	(2,961)	(16,079)
		69,287,762	43,371,805
Less:	Accrued loan remissions, loan forgiveness and interest write-down grants applied against outstanding receivables	(38,376,010)	(26,479,766)
	Allowance for uncollectable loans	(6,533,918)	(3,849,082)
Loans outstanding, end of year		$24,377,834	$13,042,957

4. Consolidated Fund

The loan balance, $78,475,636 (1988 - $44,092,841), is for loans obtained to finance loans to students. This balance is repayable in quarterly instalments beginning April, 1989. The instalment amount is based on repayment of student loans. The interest rate is based on the Consolidated Fund's cost of borrowing.

5. Related Party Transactions

In accordance with established government practice, the Department of Education bears all administrative, occupancy and loan collection costs. Accordingly, no provision for these costs is reflected in these financial statements.

6. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation. The most significant was the grouping of accrued interest write down grants payable with loans receivable. The accrual was $17,879,071 in 1989 (1988 - $15,010,868).

7. Restricted Fund Balance

In accordance with The Student Assistance and Student Aid Fund Amendment Act, 1988, the restriction on the $2,000,000 transfer from the School Lands Fund and the $1,000,000 transfer from the Education Fund has been removed. This $3,000,000 now forms part of the Unrestricted Fund Balance.

8. Change in Accounting Policy

In prior years, the expense and corresponding liability for Special Incentive Loan remissions and loan forgiveness grants were recorded when applications for them were approved. This year, the anticipated liability for these programs was estimated on all outstanding loans. The effect of this change, applied retroactively, resulted in an increase (decrease) to the following accounts:

	1989	1988
Loans receivable	$(6,135,942)	$(7,805,609)
Provision for doubtful accounts	—	(2,002,442)
Accumulated deficit, beginning of year	7,805,609	—
Accumulated deficit, end of year	13,941,551	7,805,609
Loan forgiveness grants	4,792,083	6,043,874
Special Incentive Loan remissions	1,343,859	3,764,177
Deficit for the year	6,135,942	7,805,609

Schedule 1
Saskatchewan Student Aid Fund
Schedule of Bursaries and Scholarships

(Year Ended March 31)

	1989	1988
Bursaries and scholarships awarded by the Department of Education		
Saskatchewan Student Bursary and Special Incentive Bursary Programs	$53,055	$4,103,902
Second language program	530,719	442,048
General proficiency awards	259,000	254,400
Saskatchewan Institute scholarships	159,649	162,800
Queen Elizabeth II scholarship	10,000	—
James Dickson Award	1,000	—
Bursaries to Teachers of Handicapped	500	3,500
Don Simmons Memorial award	500	500
Teacher education bursaries	340	52,110
SUNTEP start-up bursaries	—	11,400
	1,014,763	5,030,660
Bursaries and scholarships awarded by other agencies:		
University of Saskatchewan	5,110,315	4,603,036
University of Regina	959,441	803,188
Western College of Veterinary Medicine	18,500	24,490
Department of Social Services	1,584	20,045
Saskatchewan Research Council	—	33,750
Department of Health	—	337,751
	6,089,840	5,822,260
	$7,104,603	$10,852,920